

PENSION BENEFIT SECURITY

THE BEST SECURITY IS A HEALTHY, PROFITABLE FCA/CHRYSLER (CHRYSLER) BECAUSE RETIREES WOULD CONTINUE TO RECEIVE THEIR FULL PENSION BENEFITS.

IN THE EVENT OF A CHRYSLER BANKRUPTCY, CHRYSLER'S PENSION PLANS WILL LIKELY BE TAKEN OVER BY THE PENSION BENEFIT GUARANTY CORPORATION (PBGC). THE PBGC WILL DETERMINE HOW MUCH OF THE RETIREE'S BENEFIT WILL CONTINUE TO BE PAID BASED ON THE PBGC'S CALCULATION OF THE FUNDED STATUS OF THE PLAN (NOT THE PLAN CALCULATED FUNDED STATUS) AND THE MAXIMUM PBGC GUARANTY AMOUNT APPLICABLE TO THE RETIREE.

THE FIRST STEP THE PBGC TAKES IS TO CATEGORIZE THE PLAN'S ACCRUED BENEFITS AS FOLLOWS:

CATEGORIES 1& 2- BENEFITS PURCHASED WITH EMPLOYEE CONTRIBUTIONS (GENERALLY MINIMAL).

CATEGORY 3- BENEFITS IN PAY STATUS (OR ELIGIBLE FOR PAY STATUS) THREE YEARS PRIOR TO PLAN TERMINATION DATE.

CATEGORY 4- OTHER BASIC BENEFITS THAT DO NOT EXCEED THE PBGC MAXIMUM GUARANTY AMOUNT.

CATEGORY 5- OTHER NONFORFEITABLE BENEFITS.

CATEGORY 6- FORFEITABLE BENEFITS.

THE SECOND STEP IN THE PBGC PROCESS IS TO ALLOCATE THE MARKET VALUE OF THE PLAN ASSETS ON THE PLAN TERMINATION DATE FIRST TO CATEGORY 1 THEN TO CATEGORY 2, ETC. IF THE BENEFITS IN A CATEGORY ARE FULLY FUNDED, THE BENEFITS IN THE CATEGORY ARE PAYABLE IN FULL. IF THE BENEFITS IN A CATEGORY ARE PARTIALLY FUNDED, THE BENEFITS ARE PAYABLE PROPORTIONALLY BASED ON THE CATEGORY'S FUNDED PERCENTAGE.

THE THIRD STEP IN THE PBGC PROCESS IS TO DETERMINE IF ANY OF THE NON-FUNDED BENEFITS ARE COVERED BY THE PBGC GUARANTY BASED ON THE AGE RELATED MAXIMUM GUARANTY TABLE FOR THE YEAR OF PLAN TERMINATION OR THE YEAR OF BANKRUPTCY, IF EARLIER.

PBGC MAXIMUM GUARANTY FOR PLAN TERMINATION OR COMPANY

BANKRUPTCY DATE IN 2025-AMOUNT BASED ON RETIREE'S AGE ON DATE OF SUCH PLAN TERMINATION OR BANKRUPTCY DATE (WHICHEVER OCCURS FIRST)

AMOUNT ALSO BASED ON FORM OF RETIREE'S BENEFIT

AGE	SINGLE LIFE ANNUITY		JOINT ANNUITY WITH 50% TO SURVIVOR *	
	MONTHLY	ANNUAL	MONTHLY	ANNUAL
75	\$22,593	\$271,113	\$20,333	244,002
74	20,542	246,499	18,487	221,849
73	18,490	221,884	16,641	199,696
72	16,439	197,270	14,795	177,546
71	14,388	172,656	12,949	155,390
70	12,337	148,042	11,103	133,237
69	11,073	132,881	9,966	119,593
68	9,959	119,504	8,963	107,552
67	8,993	107,910	8,093	97,119
66	8,175	98,100	7,358	88,290
65	7,432	89,182	6,689	80,264
64	6,912	82,939	6,220	74,645
63	6,391	76,696	5,752	69,027
62	5,871	70,454	5,284	63,408
61	5,351	64,211	4,816	57,790
60	4,831	57,968	4,348	52,171
59	4,533	54,401	4,080	48,961
58	4,236	50,834	3,813	45,750
57	3,939	47,266	3,545	42,540
56	3,642	43,699	3,277	39,329
55	3,342	40,100	3,010	36,119

*Since the Chrysler plan's spouse option benefits are more valuable, the PBGC guaranty would be lower

EXAMPLE 1

ASSUMPTIONS:

RETIREE IS AGE 65 WITH \$90,00 OF JOINT & SURVOR BENEFITS, ALL IN CATEGORY 3 WHICH IS 75% FUNDED. MAXIMUM PBGC GY IS \$80,264.

RESULT- THE FUNDED BENEFIT IS \$67,500 (75% X \$90,000) WHICH IS LESS THAN THE RETIREE'S MAXIMUM PBGC BENEFIT OF \$80,264 THE RETIREE RECEIVES A BENEFIT OF \$80,264 (GREATER OF \$67,500 AND \$80,264).

EXAMPLE 2

ASSUMPTIONS:

RETIREE IS AGE 70 WITH \$80,000 OF JOINT & SURVOR BENEFITS, ALL IN CATEGORY 3 WHICH IS 75% FUNDED. MAXIMUM PBGC GUARANTY IS \$133,267.

RESULT- THE FUNDED BENEFIT IS \$60,000 (75% X \$80,000) WHICH IS LESS THAN THE RETIREE'S MAXIMUM PBGC BENEFIT OF \$133,267, BUT THE RETIREE'S ACCRUED BENEFIT IS LESS THAN THE PBGC GUARANTY AMOUNT. THEREFORE THE RETIREE RECEIVES A BENEFIT OF \$80,000 (GREATER OF \$80,000 AND \$133,267, LIMITED BY HIS ACCRUED BENEFIT OF \$80,000).

DETERIORATION OF SALARIED PENSION PLANS' FUNDED STATUS

(BASED ON PLAN ANNUAL REPORT- NOT ON TERMINATION BASIS)

YEAR	DISCOUNT RATE	PENSION PLAN	PERCENT FUNDED	
			SERP	ESERP
2007	6.25%	111%	132%	137%
2008	6.25%	88%	101%	100%
2009	5.50%	84%	96%	98%
2010	5.40%	83%	96%	99%
2011	5.00%	77%	92%	94%
2012	4.00%	69%	84%	87%
2013	4.70%	76%	89%	93%
2014*	4.00%	76%	93%	93%
2015*	4.50%	83%	N/A	N/A
2016*	4.40%	84%	N/A	N/A
2017*	3.80%	86%	N/A	N/A
2018*	4.40%	77%	N/A	N/A
2019*	3.30%	78%	N/A	N/A
2020*	2.90%	78%	N/A	N/A
2021	2.86%	85%	N/A	N/A
2022	5.40%	86%	N/A	N/A
2023	5.43%	87%	N/A	N/A

* AS OF 12/31/2014 THE SERPs WERE MERGED INTO THE PENSION PLAN WITH A FUNDED % OF 85.7%

MINIMUM FUNDING CREDIT BALANCE*

(MAY BE USED TO REDUCE FUTURE FUNDING REQUIREMENTS)

	\$ MILLIONS		
1/1/2008	\$1,088.2	\$419.8	\$312.6
1/1/2009	814.3	347.0	251.6
1/1/2010	895.7	363.6	276.9
1/1/2011	156.4	382.3	302.0
1/1/2012	74.6	308.2	309.6
1/1/2013	32.3	241.1	327.3
1/1/2014	37.1	**	**
1/1/2015	654.7	N/A	N/A
1/1/2016	624.2	N/A	N/A
1/1/2017	651.1	N/A	N/A
1/1/2018	705.1	N/A	N/A
1/1/2019	583.9	N/A	N/A

*ASSETS RESULTING FROM PRIOR COMPANY CONTRIBUTIONS IN EXCESS OF MINIMUM FUNDING REQUIREMENTS

** AS OF 12/31/2014 THE SERPs WERE MERGED INTO THE PENSION PLAN .
1/1/2014 SERPs' CREDIT BALANCES NOT PROVIDED BY CHRYSLER

COMPANY CONTRIBUTIONS

	\$ MILLIONS		
2008	\$0.0	\$0.0	\$0.0
2009	23.6	0.0	0.0
2010	0.0	0.0	0.0
2011	4.1	0.0	0.0
2012	2.2	0.0	0.0

2013	1.5	125.0	0.0
2014	25.5	0.0	0.0
2015	5.1	**	**
2016	0.0	**	**
2017	300.0	**	**
2018	0.0	**	**
2019	0.0	**	**
2020	0.0	**	**
2021	0.0	**	**
2022	0.0	**	**
2023	0.0	**	**

** AS OF 12/31/2014 THE SERPs WERE MERGED INTO THE PENSION PLAN .

NOTE: ABOVE INFORMATION IS THE LATEST AVAILABLE IN THE PLANS' PUBLISHED REPORTS.

3/5/2025